

LFC Requester:

Austin Davidson

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: February 13, 2025

Check all that apply:

Bill Number: HB394

Original Correction
Amendment Substitute

Sponsor: Rep. Tara L. Lujan
Rep. Cynthia Borrego

Agency Name and Code Number: 305 – New Mexico
Department of Justice

Short Title: CLEAN ENERGY &
NATURAL RESOURCES
BOARD

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------|------------------------------|------------------|
| FY25 | FY26 | | |
| | | | |
| | | | |

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------------|------------------|
| FY25 | FY26 | FY27 | | |
| | | | | |
| | | | | |

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY25 | FY26 | FY27 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|---------------------------------|------------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator’s request. The analysis does not represent any official policy or legal position of the NM Department of Justice.

BILL SUMMARY

Synopsis: House Bill 394 (“HB394”) proposes the creation of a new "clean energy and natural resources advisory board" and specifies the make up of the board, the board’s functions, and the authority to promulgate bylaws.

Section 1(A) proposes the creation of a new "clean energy and natural resources advisory board" in the Energy, Minerals and Natural Resources Department (“EMNRD”) which will include the following industry experts appointed by the secretary of EMNRD with the advice and consent of the governor:

1. three experts from renewable energy organizations
2. two experts in building energy efficiency and conservation
3. two experts from the energy infrastructure sector
4. two experts from the oil and gas sector
5. two experts from the investment community
6. two experts in forest and wildlands
7. one expert in state parks
8. two experts from the academic community
9. one expert from the mining industry

Sections 1 (B)-(F) discusses details of the board’s functions, including designation of a chair, what constitutes a quorum, length of terms, frequency of meetings, and promulgating by laws.

Section 2 proposes an appropriation of \$100,000 from the general fund to EMNRD for expenditure in fiscal year 2026 to create the board.

FISCAL IMPLICATIONS

N/A

SIGNIFICANT ISSUES

HB394 appears to not provide an operating definition of “clean energy” which is the subject that the board is created to advice EMNRD on. The term “Clean Energy” can have various meanings in New Mexico to different individuals. Without a definition in the proposed language, it may be confusing what matters the Board is to advise on.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

“department of energy, minerals and natural resources, referenced throughout the Bill, is not capitalized.

OTHER SUBSTANTIVE ISSUES

HB394 may benefit from clarifying or being more specific about what is meant by “investment community” as it is used in **Section 1(A)(5)** and “academic community” as used in **Section 1(A)(8)**.

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

Capitalize “department of energy, minerals and natural resources” in **Sections 1(A), (B), (D) & (E)(2)&(4) and Section 2**.